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Message Text

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ACTION AF-08

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06
OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 IO-13
EUR-12 PA-01 PRS-01 /123 W
----------252116Z 098913 /73
R 250925Z MAR 77
FM AMEMBASSY LUSAKA
TO SECSTATE WASHDC 5265
INFO AMEMBASSY ADDIS ABABA
AMEMBASSY PRETORIA
AMEMBASSY DAR ES SALAAM
AMCONSUL CAPE TOWN

C O N F I D E N T I A L LUSAKA 0786

CAPE TOWN FOR EMBASSY

E.O. 11652: GDS
TAGS: ETRD, RH, OAU
SUBJ: OAU LIBERATION COMMITTEE REPORT ON OIL SANCTIONS VIOLATIONS

1. THE FRENCH EMBASSY HAS GIVEN US AN EXTRACT (IN FRANCH) OF THE OFFICIAL REPORT OF THE SECRETARIAT OF THE OAU LIBERATION COMMITTEE ON RHODESIAN OIL SANCTIONS VIOLATIONS. THE REPORT WAS DISTRIBUTED TO PARTICIPANTS AT THE RECENT MEETING OF THE OAU LIBERATION COMMITTEE HERE IN LUSAKA AT THE END OF FEBRUARY. MOBIL OIL IS SINGLED OUT AS THE LEADER IN WHAT IS DESCRIBED AS A CONSPIRACY TO EVADE SANCTIONS. PRESIDENT KAUNDA AND GRZ OFFICIALS ARE MAKING A MAJOR ISSUE OF THIS. AT THE SAME TIME ZAMBIA AND MOBIL HAVE NEARLY COMPLETED NEGOTIATIONS FOR CONSTRUCTION AND OPERATION OF A LUBE BLENDING PLANT IN NDOLA.. WE UNDERSTAND THAT AN INVESTIGATION HAS BEEN UNDERWAY IN THE UNITED STATES TO DETERMINE WHETHER OR NOT US FIRMS
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HAVE IN FACT BEEN INVOLVED IN VIOLATING OIL SANCTIONS BUT WE ARE UNAWARE OF ITS PROGRESS OR OUTCOME. IF APPROPRIATE, WE WOULD APPRECIATE A STATUS REPORT ON THE INVESTIGATION, OR ANY OTHER ACTIONS BEING TAKEN BY THE USG TO RESPOND TO THE VIOLATION CHARGES FOR USE WITH OUR ZAMBIAN CONTACTS.

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2. A ROUGH TRANSLATION OF THE OAU LIBERATION COMMITTEE DOCUMENT IS AS FOLLOWS:
QUOTE: IT HAS BEEN DISCOVERED THAT THE MOBIL OIL COMPANY HAS SINCE THE BEGINNING BEEN IMPLICATED IN THE REFINING,

TRANSPORTATION BY SHIP AND IN THE WHOLESALE AND RETAIL SALE OF ALL THE OIL NEEDED BY RHODESIA. THE PETROLEUM CONSPIRACY BEGAN TEN YEARS AGO. IN FEBRUARY 1966 THE RAND DAILY MAIL, A SOUTH AFRICAN NEWSPAPER, REVEALED THAT MORE THAN 35,000 GALLONS OF OIL WERE TRANSPORTED EACH DAY FROM SOUTH AFRICA ACROSS THE RHODESIAN FRONTIER IN GRAY TANK TRUCKS WITHOUT MARKINGS. BY THE MIDDLE OF 1967 THIS TOTAL HAD INCREASED TO 140,000 GALLONS.
QUOTE: THE SYSTEM UTILIZED CONSISTED OF A "PAPER CHASE", AS THE DOCUMENTATION WAS CALLED BY MOBIL OIL. THIS

"PAPER CHASE" WAS DESIGNED TO CONCEAL THE ORIGIN OF OIL

IMPORTED BY RHODESIA.
QUOTE: THE IMPORT AGENT IN SALISBURY WAS A FIRM KNOWN UNDER THE NAME OF GENTA LTD. THIS FIRM LOOKED LIKE A PRIVATE ONE. HOWEVER, GENTA WAS IN FACT AN AGENT CREATED BY THE SMITH GOVERNMENT AND WAS DESIGNED TO KEEP AN EYE ON THE IMPORTATION OF OIL AND TO MAINTAIN THE IMPORTATION AS AN OFFICIAL SECRET. WHEREAS GENTA WAS RESPONSIBLE FOR THE IMPORTATION OF OIL PRODUCTS TO RHODESIA AND SOLD THEM TO RETAILERS SUCH AS MOBIL
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RHODESIA, CALTEX, BP, SHELL, AND TOTAL, IT WAS MOBIL'S RESPONSIBILITY TO PUT INTO EFFECT THE PROCEDURES TO BE FOLLOWED. THESE PROCEDURES FUNCTIONED PERFECTLY UNTIL 1968 WHEN GENTA DEMANDED A MORE ELABORATE "PAPER CHASE". THIS "PAPER CHASE" SYSTEM, THE FUNCTIONING OF WHICH COST VERY LITTLE, WAS DONE ESSENTIALLY TO HIDE THE FACT THAT MOSA (MOBIL OIL SOUTH AFRICA) IN FACT FURNISHED OIL TO MOSR (MOBIL OIL SOUTHERN RHODESIA). THE METHOD UTILIZED AFTER 1968 FOR THE IMPORTATION NECESSITATED THE CREATION OF AT LEAST FIVE COMPANIES WHICH ONLY EXISTED IN THE FORM OF LETTERHEADS APPEARING ON ORDERS AND BILLS DESIGNED TO MAKE "PAPER CHASE" MORE EFFECTIVE IN COVERING MOBIL OIL SOUTH AFRICA SHIPMENTS DESTINED FOR GENTA.
END QUOTE. LOW

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NNN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Concepts: PETROLEUM, DOCUMENTS, TREATY VIOLATION, SANCTIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 25-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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Format: TEL
From: LUSAKA
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SAS ID: 2998454
Secure: OPEN
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Subject: OAU LIBERATION COMMITTEE REPORT ON OIL SANCTIONS VIOLATIONS
TAGS: ETRD, RH, OAU, MOBIL OIL
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